

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

AURORA WORLD, INC.,

Plaintiff,

vs.

TY INC.,

Defendant.

Case No. CV-09-08463 MMM (Ex)

The Honorable Margaret M. Morrow

~~[PROPOSED]~~ CONSENT DECREE
AND FINAL JUDGMENT

Upon the consent and agreement of Plaintiff/Counter-Defendant, Aurora World Inc. ("Aurora"), and Defendant/Counterclaimant Ty Inc. ("Ty"), to the entry of a Consent Decree and Final Judgment, and the Court being fully and sufficiently advised in the premises:

WHEREAS, Aurora commenced the above-entitled action on November 17, 2009 by filing a Complaint in the above-entitled Court against Ty regarding certain of Aurora's YooHoo & Friends plush toys and certain of Ty's Beanie Boos plush toys;

WHEREAS, on March 30, 2010, Ty filed counterclaims against Aurora regarding certain statements made by Aurora to the public and consumers about this action (collectively, both Aurora's claims and Ty's counterclaims shall be described as the "Litigation");

WHEREAS, both parties deny liability for all claims asserted against them;

AND WHEREAS, the parties desire to finally settle and resolve any and all matters in dispute between them in relation to the Litigation in order to avoid further legal and other costs,

IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED that:

1. This Court has jurisdiction over the subject matter of this Litigation. Aurora and Ty hereby consent to the personal jurisdiction of this Court, agree that venue is proper in this District, and waive any objection they may have with regard to personal jurisdiction, venue or service of process.
2. Ty and each of its principals, officers, agents, servants, employees, attorneys, and those persons under its control or in active concert or participation with it, are hereby permanently enjoined in the United States from

distributing, selling and/or offering to sell Ty's Cleo and Bubblegum Beanie Boos plush toys (shown in attached Exhibit A).

3. Aurora and each of its principals, officers, agents, servants, employees, attorneys, and those persons under its control or in active concert or participation with it, are hereby permanently enjoined in the United States from making any false or misleading statements of fact concerning Ty, Ty's Beanie Boo plush toys, the Litigation, the facts underlying the Litigation, and the final resolution and settlement of this lawsuit.

4. Within ten (10) days of the entry of this Final Consent Decree, Ty will comply with its obligation as set forth in paragraph 1 of the parties' Confidential Settlement Agreement dated December 12, 2011.

5. In the event of a violation of this Final Consent Decree, the prevailing party shall, in addition to any other relief to which it is entitled, be awarded attorneys' fees and costs.

6. This Final Consent Decree and the parties' Confidential Settlement Agreement dated December 12, 2011 represent the entire understanding between the parties hereto with regard to the matters set forth in this Final Consent Decree and the parties' Confidential Settlement Agreement dated December 12, 2011.

There are no other oral or written representations, warranties, agreements, arrangements or undertakings between the parties which are not fully expressed in this Final Consent Decree and the parties' Confidential Settlement Agreement dated December 12, 2011.

7. Any amendment or modification to this Final Consent Decree must be made in writing and signed by the parties. The waiver by one party of any violation of this Final Consent Decree by the other party shall not be deemed a

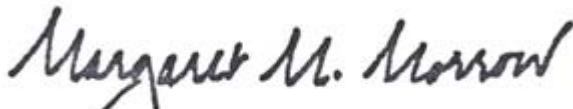
waiver of any other prior or subsequent violation of this Final Consent Decree.

8. This Final Consent Decree shall bind and inure to the benefit of all parties hereto, and all their assigns' and successors in interest.

9. The parties hereto have read this Final Consent Decree, have had an opportunity to have this Final Consent Decree fully explained by counsel of their choice, and fully understand the words and terms used in this Final Consent Decree and their effect.

10. The Complaint in this action and all Counterclaims are dismissed with prejudice, each party to bear its own fees and costs. This is a full and complete agreed resolution of this matter, and the parties agree that no appeal from any Orders of the Court in this Litigation shall be pursued or taken by any party to this matter.

Entered this 19th day of December, 2011

A handwritten signature in dark ink, appearing to read "Margaret M. Morrow". The signature is fluid and cursive, with a large, stylized initial "M".

MARGARET M. MORROW
UNITED STATES DISTRICT JUDGE